

Washington State
Department of Financial Institutions
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NEWS
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Securities Director charges Canadian firm with fraud
Warning to phone scammers – ‘Don’t Call Washington!’

An undercover sting investigation into Internet and phone fraud has resulted in charges against Cashier, Inc., an Ontario, Canada check cashing firm. In a Cease and Desist Order issued by the Securities Division, Director Deborah Bortner alleges that the company violated the Washington State Securities Act by offering unregistered securities. Cashier is alleged to have used a Florida telemarketing firm, Corporate Funding Group, Inc., to offer Cashier's unregistered securities to Washington citizens. In a related action, the Pennsylvania Securities Commission issued similar charges against Cashier.

"This is the third order we've issued against check cashing firms this year," Bortner said. "All three used the Internet and telemarketing firms to make their offers. Our Internet surveillance program identified the frauds, then our investigators posed as investors and were solicited by fraudulent telemarketing firms. We then had the evidence we needed to shut down the operations."

For security reasons, Bortner will not disclose the location or number of undercover computers, phone lines, or investigators targeting Internet and telemarketing fraud. But she says she does want to send a message to telemarketing firms using the phone to commit securities fraud.

"My message is – do not call Washington! Telemarketing firms should post that message on their bulletin boards and hand it out to their employees," Bortner says. "Fraudulent telemarketers should take Washington residents off their phone lists, because they may reach an undercover shopper when they call, instead of a potential victim. When that happens," she says, "we'll issue an order and work with other agencies to shut them down. And whenever possible we'll go after their assets to get restitution for injured Washington investors."

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The latest order issued by the Securities Division names Cashier, Inc. and its President, Tom Graves; Corporate Funding Group, Inc. and its President, Victor Kivisels; and Donnie Crecelius, the salesperson for Corporate who made the offer in Washington. The allegations include charges that neither the respondents nor their securities were registered as required; that the respondents acted as unregistered broker-dealers and salespersons; and that the respondents made material misrepresentations and omissions in the offer. The Cease and Desist Order seeks restitution for Washington investors, injunctive relief to prohibit future violations, and fines of \$5,000 against each respondent.

In the first of the three cases against check cashing stores filed this year, the Division issued a Summary Cease and Desist Order against Payday Today USA.com, Inc., and General Marketing Associates, Inc., the telemarketing firm that was selling the Payday securities. The Division has obtained a default judgment against Payday and is seeking to recover a \$50,000 fine. In the second case, the Division issued a Summary Cease and Desist Order against Republic Cash Advance, Inc. and two independent sales offices offering the Republic securities, Ould Investment Group, Inc., and Corporate Asset Group, Inc., both of Florida. The Division is seeking a \$50,000 fine plus restitution against Republic, and lesser fines and injunctive relief against the telemarketing firms.

Bortner notes that these cases are not unusual, and that investors need to be wary of offers made by e-mail, the Internet, or by phone. "These offers all involved promises of guaranteed 36% to 42% annual returns," Bortner said. "While we can identify and stop some of these firms, Washington residents are under constant attack from fraudulent telemarketing firms hoping to profit from sales of bogus securities. Investors need to be especially cautious about promises of high returns with low risk," Bortner advises. "'Guaranteed High Return' really means 'This Is A Fraud!'"

The Securities Division of the State of Washington's Department of Financial Institutions may be contacted by calling 1-800-372-8303 (toll free in Washington) or you can visit them on the Web at <http://www.dfi.wa.gov/sd>. Copies of the Orders in these cases are also available on the Securities Division website. (Cashier, Inc.- [SDO-091-01](#)), (Corporate Asset Group, Inc.- [SDO-083-01](#)), (Ould Investment Group, Inc. - [SDO-082-01](#)), (Republic Cash Advance, Inc. - [SDO-080-01](#)), (General Marketing Associates, Inc. - [SDO-044-01](#)), (Payday Today USA.com, Inc. Final Order - [SDO-038-01](#)), (Payday Today USA.com, Inc. - [SDO-037-01](#)).